

SENATE BILL NO. 471

INTRODUCED BY BRUEGGEMAN

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING FUEL CRITERIA FOR STATE TRANSPORTATION USE."

WHEREAS, a Montana-based transportation fuel industry would produce significant economic benefits to rural Montana; and

WHEREAS, low-carbon fuel standards are being developed in other states and considered for adoption nationwide; and

WHEREAS, Montana-based transportation fuels that are lower in carbon content than conventional petroleum could find a ready market not just in Montana, but also regionally and nationally; and

WHEREAS, it is in the best interests of Montana to encourage and promote the development of Montana-based low-carbon fuels.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Low-carbon fuel reduction standard for transportation fuel used by state -- exception. (1) The department shall calculate on an annual basis the carbon intensity of all fuel purchased by the state of Montana for transportation uses.

(2) Beginning July 1, 2011, the total carbon intensity of all fuel purchased by the state of Montana for transportation uses may not exceed the carbon intensity value of the fuel purchased in the preceding year.

(3) By July 1, 2020, the carbon intensity value of all fuel purchased by the state of Montana for transportation uses must be 10% lower than the carbon intensity value of the fuel purchased in 2010.

(4) By July 1, 2011, the department shall establish a carbon intensity value using a baseline year of 2009 for all fuels, including but not limited to gasoline, butanol, diesel, corn ethanol, cellulosic ethanol, coal to liquids fuel, biodiesel, electricity, hydrogen, and compressed natural gas.

(5) When establishing carbon intensity values, the department shall, to the maximum extent possible, rely on existing research, consider carbon intensity values established in other jurisdictions, work with other state agencies, and allow for public involvement.

(6) Aviation fuel is excluded from the provisions of this section.

(7) As used in this section, the following definitions apply:

(a) "Carbon dioxide equivalent" means the amount of carbon dioxide by weight that would produce the same global warming impact as a given weight of another greenhouse gas.

(b) "Carbon intensity" means the quantity, as measured on a full life-cycle basis, of carbon dioxide emissions or carbon dioxide equivalent emissions of other greenhouse gases per BTU of energy provided by a transportation fuel.

(c) "Department" means the department of environmental quality.

(d) "Full life-cycle basis" means all inputs and emissions related to the entire life cycle of a transportation fuel, including the production and extraction of the feedstock or other primary energy source and the processing, transportation, storage, distribution, and combustion or other chemical conversion of the fuel.

(e) "Transportation fuel" means fuel or energy used for the purpose of propelling a vehicle, boat, snowmobile, or other conveyance.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 82, chapter 15, and the provisions of Title 82, chapter 15, apply to [section 1].

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